G. R. S. IX—5]

Previous references (1923-4 Geol)

File No. 72-23

Serial Nos 2 4 5 12 15 16 ~~17~~

Later references

Geol 36-33 (3-46)

Geol dep no 91 of 33

preserve

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 6

Part B for May 24

SUBJECT

Grant of prospecting licenses for chrome

9c 6685-37 of 25-4-24

To Offg Director Department of Geology

Comptroller to Govt (iii) Dir. of Rev

Commr in Mysore

Chief Inspector of Mines

by Commissioners of divisions

Passes orders re the disposal of applications for the ———

3879

G. R. S. III-21

General and Revenue Secretariat. | Geol File No. 73 of 19 23

Serial No.	
2	Immediate offg Director of Geology No. 1542 d 15-3-24 Regrets a definite ruling as regards the grant of prospecting licenses for Chrome the offg: Director states that consequent on the presentday of the restrictions placed in respect of Chrome ore a number of applications from holders of valid certificates of approval, and also from some more for fresh & for renewals of old certificates are being received, that certain additions are to be made in the present form of applications for licences that there is some difficulty — in considering the question of grant while forwarding his recommendations to Govt & that a definite ruling is necessary on the point Spare copies of G.O.S on the subject sent herewith orders solicited 25/3/24

7 + 5

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat. | Revl File No. 73 of 1923

Serial No.	
4 & 5	From the offg Under Secy to Govt of India No 1606 dt 24-3-24 & DO 1607 dt 24/3/24 requests orders as regards the grant of prospecting licenses for chrome & proposes certain additions to the revised rules
S. E.	The Govt states that the recent rules re relaxation of the reservation of chrome are not favourable to grant for prospecting granted outand proposes certain additions as proposed to us / cross 6 & 7
	The question of revision of rules for mining licenses & leases is pending before Govt
	Subd for orders vide DO. dt 24. 3. 24 from the Comm offices
	20/25/3/24 VS
	1) The 15th inst ? Each proposal has to be
	2) noted upon showing clearly whether the Rules under force provide for it or whether any fresh ruling has to be made—
	Subd SNR 26/3
	1) Placed separately in the file
	2) A statement furnishing information

NOTE—Contn. sheet.

G. R. S. III-21

General and Revenue Secretariat.

Ext. File No. 273 of 1923

Serial No.

as prepared & filed herewith ... in the linked ...

27/3/24

The Director's reference deals with the procedure now adopted by him in the disposal of applications for prospecting licenses for chrome under the recent Relaxing the Restrictions in the grant of Prospecting Licenses for Chrome (Flag A) orders are solicited by him on the following points —

(1) As some applicants hold Certificates of approval, some do not and some have applied for renewals, the Director wants permission to give precedence to holders of such Certificates at the time of applns. and treat as new applicants for Certificates their applications for licenses should only from the date of sanction of the Certificates' Approval —

Applications should be prospecting licenses shall on an Endorsement under a consent & approval of the applicant

Accdg to rule 8 of the rules (Flag V) no licenses could be granted unless ~~such~~ the Applicant holds a Certificate of Approval. The practice has now been to insist upon the production of such

* NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. Revl File No. 73 of 19 23

Serial No.

a Certificate When an application for the license is read the Director may wants that it shd be made clear ~~Certificate~~ by inserting a Certificate in the Appn that the applicant holds a Certificate for appl- There is nothing to prevent this but it is for Consideration Whether it would not be hard on the present Applicants / the usual practice which dis not insist upon a Certificate at the time of appn were departed from This is for orders

I agree with the Director. Hon proposal may be sanctioned.

B

(2) In the letter of the 24th inst the Director recommends that in view of the large number of applicants & the necessity of keeping up the proper Standard of Shares we need not it is necessary that only persons of financial ability & those who could give a Bank Guarantee of Rs 10000/- should be given prosecuting licenses and Certificates for approval — He wants a. Ruling on this

NOTE—Contn. sheet.

G. R. S. III-2)

General and Revenue Secretariat. | Estt File No. 73 of 1923

Serial No.

As per rules now in force the applicants ~~should be~~ a/ for a Certificate of appointment should be a Par Subject but it is usual to Consider the applicants former experience & financial abilities before one is granted as per Colums 7 and 9 of the appln (Page 0) The Secretary, Govt may refuse a Certificate if the applicant does not possess these qualifications to a satisfactory extent No rules appear necessary if necessary this may be made clear in the revised rules—

As to a person holding licence Govt Could refuse or the appln under rule 17 if they are not satisfied as to the applicants qualifications— Each case must be decided on its merits & no special rules seem called for The Director suggestion may however be borne in mind when applications are Considered—

No harm in such a term in Bank guarantee or security, but it is open to question and appln as their discretion if they are satisfied that the financial ability is bona fides & the applicant is a person whose character & reputation would warrant a report when being in the appln for the order is given.

Some such Guarantee seems necessary in view of the new arrangement of pensions & leaving

NOTE—Contn. sheet.

G. R. S. III-2]

General and Revenue Secretariat. | Cash File No. 73 of 19 1

Serial No.

(3) The third proposal is as to the manner of collecting royalty which should be paid when removed from the stock even if they are not sold or raised. This is provided for under clause 1 of the P.L. form which provides for weighing, measuring & removal of ore subject to payment of royalty. This seems to be a reasonable proposal in the interests of Govt revenue though it may mean some hardship to licensees.

Yes RE

SM 28/3

Rev Secy)

As regards Point No 4, it does not appear either necessary or desirable to pay so much attention to the mere fact of passing of application. The merits & suitability of the applicant should govern the grant of licences

Fes 3/3 SM 31/3

11 1.4.24

(Member)

I have seen my respected colleague's remarks on this file & I agree with him also on the further point as to whether there is necessity for such enquiries

DS 1/4

RE 1/4 2.4.24

NOTE—Contn. sheet.

No & date of letter	Proposals of the Director of	
	Question at issue	Director's
1542 dt 15/3/24	1.—Priority of applications as between those received from persons possessing valid certificates of approval, and those who have applied for certificates afresh.	1. Applicatio a) holding ce at the time should ha b). As regar for prosp applicatio valid an of certificat c) A cla be added applicatio many I hold no
	2 Whether any priority over all new applications should be conceded in respect of applicants whose former applications before Jany. 23 were rejected on	

Geology		
ecommendation	Remarks as to existing rules etc.	
o from persons tificates of approval 2 their application ce precedence to new applicants existing licences that may be considered from date of sanction of approval e as under may in the form of — for prospecting & cases: — certificate of approval	Existing rules are not clear on the point. vide Existing forms T + H	Prior to approval should be by the Mamlatdar any person who has the Mamlatdar a certificate & approval therefor has 2

Director of Industries & Commerce

s the Dep. of Dtc		
from the ore to in will pay if ale g the tract are		
to grant of new mine with good ackings with a area of at least 2 upfele pneumatic ady established		
should be imposed Guarantees given with		
have failed to antage they must		

L. I. 2

Proposals of the

Nos. of Statement & Comments	Questions at issue	Proposals
C.C. 165 dt 19.3.24 C	1. Limonite deposits are very valuable, and Govt. of M. Mudaliar's blocks there are not fully developed partly due to the limited financial resources & partly for want of transport facility	A trunk line the Rly Stat the resources worked
	2 ~~Supposed~~ Termed in the case of new licensees	2. In regard licensees only financial h fairly long h years can c with an ab concern
	3. The reputation of Mysore Chromite has suffered seriously as the existing license holders are not adhering to standards	3. Restrictions to see that are compu
	4. Existing license holders have had monopoly till now	5 since they take full ad

by such advantages
pursuance thereof
Locks at Trenton Falls
shall as a Continued
use alone they be given
up the new Locks
ditions proposed to
nication, nor
o Govt re abolish
the Capital by
a Joint Stock Co
re 7o of net-profits
in addition to royalty
of Govt some effective
on the management

by Govt that the standards
to effect sales in foreign
are usually adhered to
ca

lose the money
taken to ~~place~~
to place them
of Govt. to be inv
must in addition
the option of tak
subject to con
in his commu
1) satisfy
to make
~~re~~ floating
2) Surrey
to Govt
3) allowe
Control
&c
4) to satis
prescribe
market
&c &

	consequence of special reservation ordered in Jany 23	No definite of W. asks a sum
Letter no. 1606 dt 24 3/24 B	3. Desirability of particular scrutiny of the financial abilities of applicants in respect of Chrome: in view of the fact that Govt. are entitled to 25% of the profits under G.O. No. I.C. 5146-57/ Geol. 73-23-1 dt 26.2.24	3. Evidence of fi manually done house property supplement for at least Rs 1 invariably be before grant of approval or p for Chrome
	4. Difficulty has been felt in making royalty in respect of some prospectings + dummy leases on material removed as the ore could not be sold which means loss to Govt + indefinite postponement of royalty	4. In this case royalty should all minerals) removed from even if they ar or raised

~~must~~ given.		
ng from Govt.	Vide col. 4 of Form	
rained absol-	No. I for certificate	
on the slope of	of approval	
etc, do not	H.V.D.	
Bank reference	3. Vide col 9 of Form	
oof should	no. I for certificate	
~~must~~ be upon	of approval	
e certificate of	O	
especting licenses		
of new leases	4. Vide Rule 1 and	
be found for	Schedule C of Pros-	
m ares when	pecting licenses p. 285	
the blocks	& p. 289	
not pegged	rule 8 Sch. C under	
	Mining leases form	
	(P. 291 & 289)	
	N.B.	
	No amendment of	
	rules is suggested.	
	perhaps this / rightly /	
	could be ensured in each	
	individual case at the time of grant of lease, by	

Prima application need be for reservation only as ~~for~~ consideration of ~~for~~ grant not be entitled to priority.

Even in respect of application need apply to agent only reserve and selects the reservation other reservations, ~~or~~ should be undisturbed long. ~~Applicant~~ not be entitled to preference in the order of priority of the ~~first~~ to be open to the first ~~in point of time~~ selects his most competent.

Leases for ores to be granted on application

I have the honour to be Sir Your obedient servant

I agree to this proposal

filling in Schedule C carefully

G. R. S. III-2]

General and Revenue Secretariat. | Legislative File No. 73 of 1923

Serial No.

Draft with
Revd Secy
11 Assembly

391
14/4

Laid with draftsmen
8/4/24
9
10/4/24
SMR 10/4

Rev Secy
14.4.1924
SMR 14/4

Draft appr
to be submitted for Dewan
Bahadur's approval also
Dy
10/4 Pelly

Dewy

Please make amendments
Issue as revised
Y
15.4
Dy Secretary Legislative Assembly

581
21/4

11 Assembly

Dy
21/4
Pe
21.4
SMR
21/4

Dy
21/4
Pe
21/4
SMR
22/4

Issue
VS
22.4.24

NOTE—Contn. sheet.

4717

G. R. S. III-2]

General and Revenue Secretariat. | Geol File No. 73 of 19 23

Serial No.	
12	G O Nos. I. C. 6625-37/Geol 13-23-12 dt 26-4-24. To the Ms Chief Secy Passing orders regarding the disposal of applications for the grant of Prospecting Licenses for Chrome ore
15	From the Industrial Geologist (Mr. R. V. Gopalan) Letter dt 2.5.24 Makes certain Comments on the orders regd to cn. (12) and suggests ~~to~~ some of advantage for the Govt Called for orders In para ~~Reas~~ marked in red ink (in page 5 of the letter) ~~draba~~ Mr. R V Gopala Rao suggests a simpler way of dealing with Competition in respect of Chrome ore

5-5-24 Submitted

The only Secy who was under the misapprehension that Govt insist upon a bank guarantee ~~bond~~ para 5 of the G O criticised (Illegible)

Serial No.

does not prescribe any such procedure though the Director has suggested it

As regards prior applications what he says is true to some extent But other things being equal, Govt also would naturally prefer to grant license to an first applicant Power is reserved to Govt to reject applications from undesirable persons, though they apply first

May a draft reply be put up?

Sd/-

Rev Secy)

The order has been published in the Gazette and may perhaps be given a copy as he seems to be under a misapprehension - The letter may be perhaps written after the Chief

Sd/-

Mr Secy - Please refer to the Draft Part 7 (2) (b) Opium and Stores

G. R. S. III-2.

General and Revenue Secretariat.

Ref File No. 73 of 19 23

Serial No.

a Summary of the news in Gaz. The Summary is all wrong. Please put up a statement showing the Summary how it should have been written

11/6/25 SNR 6/6

Reg K. The Daily post of the 26th April Carries a Summary of the G of the ~~[illegible]~~ 25th relating to the disposal of applications for the grant of prospecting licences for che...e

Reg J. It will be seen that the Summary is incorrect — especially with regard to Condition No 3

Govt have distinctly declined to accept the Director's suggestion to insist upon a bank guarantee and therefore no such rule is necessary It is now known how the Daily post has printed that — the applicants are enjoined to give a bank guarantee of Rs 10000/- -

This incorrect statement has not only resulted in the withdrawal of the bypass Rule, vide last letter of the 22nd ins

P L D

NOTE—Contn. sheet.

Serial No.

but in address Comments on the press note on Mahatma Gandhi's article "New India" (A. Leakage" appearing in the leading Column of the Daily post of the 30th ultimo.

Two offrs have been put up to Mr Byasa Rao and the Editor Daily post for Consideration—

Mr Byasa Rao's remarks & Condition No 2 that applications will not be entitled as a formal rule to preference in the order of their applications is not clear Cannot ~~Cannot~~ Comm't members to form licences Only to print the practice of Allen & more in the Mail Consignation

His proposal to levy increased royalty instead of the present basket rating 2.5 & 10 per M.T. is for orders— It however appears to be too early to record orders already passed on this Connection here reference is invited to

NOTE—Contn. sheet.

1177

G. R. S. III-2,

General and Revenue Secretariat. Rest File No. 73 of 19 23

Serial No.

Re Valentine article (Commenting on Mr Meryn Smith's article) which appears in Daily Post of 14th inst

Flag A

Flag B

Another article appears in Daily post of 16th instant by "Nauvanis" who advocates the removal of restrictions

For orders

SMR 16/5/24

Rw Secy)
11/5/24

157
7.5.24

instead I may be kept of the Education Dept for a day or two in Bijapur on inspection work & not to be kept in Bombay. A proper communique covering the ministerial & Dept may be passed for consideration

16/5/24

G.O. dated 24.4.24 is placed at flag A

~~A draft communique is placed at flag B~~ as directed

~~for consideration~~ is submitted.

16/5/24

NOTE—Contn. sheet.

G. R. S. III-2j

4717

General and Revenue Secretariat.

Eccl File No. 73 of 19 23

Serial No.

Rec'd with ex draft Press Communique

22/5/24 A typed draft is put up

13.5.24

A ofl press Communique has been put up It seems also necessary to issue the ofl already put up

SMD 13/5

Rev Secy, If approved the Communique may be issued & the following steps for further action

11 March

320 13.5.24

SMD 13/5

A few days ago this Press communique was received from my predecessor for issue on the following steps for further action

As such, I am submitting the same for the approval of the Govt

15/5

SMD 15/5

NOTE—Contn. sheet.

16

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

G. O. No. I. C. 7 162/Rev. 73-23-16 DATED 17th May 1924.

May this be

i. printed? Not necessary

ii. treated as a standing order? Not necessary

iii. published in the Gazette English Part? Not necessary

iv. translated? Not necessary

v. placed at the disposal of the press? yes.

vi. published in the Gazette Kannada Part? Not necessary

To perus a before issue
Rev Secy 17/5 SNR 17/5

Subject

Prospecting Licenses for Chromite ore

Publishes a summary of Govt order re the grant of ——— to remove misapprehensions

A1236

arise part of certain newspapers.

G. R. S. III-2]

General and Revenue Secretariat. | Genl File No. 73 of 19 24

Serial No.

D
24
8393

Kind attention is invited to the Members Minute of 15/5/24 on (p.15)

Press Communique has been issued & the file received

17/5/24

for Kind Perusal

SMR 17/5

Papers may be circulated for Min of in a

17.5

Subd. with a draft D. F. N.

21/5/24

Fair draft

21.5.24

Fair draft subd

22/5/24

D. F. A Dmup

22.5.24

31 MAY 1924
8896

565 / 26.5

2nd member

Fair draft & file up as regards the decision

25/5

NOTE—Contn. sheet.

Final Note by the Second Member of Council

Subject:—

Prospecting licenses for chrome ore

In Government Order No. I.C.4728-34/Geol.47-22-8 dated 29th January 1923, Government reserved some minerals throughout the State.

2. In view of the fact that there is a considerable extent of private enterprise coming forward for the exploitation of chrome it was considered necessary to relax the restrictions in so far as chrome was concerned, and accordingly Government Order No. I.C. 5146-57/Geol. 73-23-1 dated 26th February 1924 was issued with the approval of His Highness directing the issue of prospecting - - licenses for chrome to approved applicants subject to certain - conditions.

3. The offg. Director of Geology then raised the following points for the orders of Government:-

(i) The question of priority as between applicants possessing valid certificates of approval and those who have newly applied for such certificates.

(ii) The question of giving priority to applications received before January 1923 and rejected in pursuance of the order of the 29th January 1923 over those received subsequent to the relaxation of the reservation.

(iii) Requiring the applicants to furnish a Bank guarantee of Rs.10,000 in proof of their financial ability to do the business

(iv) Levy of royalty due to Government on the quantity removed from the blocks instead of on the sales after they are effected

Orders of Government were issued regarding the above proposals in No.I.C.6625-37/Geol. 73-23-12 dated 25th April 1924.

4. Certain criticisms having appeared in some of the newspapers based on a misunderstanding of the above order of Government, a press communique (No. I.C.7162/Geol.73-23-16 dated 17th May 1924 has been issued giving a correct abstract of the order,

with a view to remove all misapprehensions.

5. The connected papers are submitted herewith for the gracious perusal of His Highness.

J. D. Maconochie

SECOND MEMBER OF COUNCIL

30/5/24

29-5-24.

Submitted to His Highness.

I submit herewith a Final Note by the Second *Member of Council on the subject of* prospecting licenses for chrome ore

for His Highness' gracious approval.

Dewan.

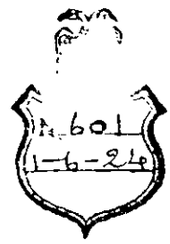
Bangalore,
1st June 1924.

1 JUN 1924

S.N.

Record of Cases submitted for the Order of His Highness the Maharaja

Subject



Prospecting licenses for chrome ore.

950

Order.

~~KRW~~

17/6/24

Reng U

Iy ... 170.

15 Regd SMD 26/6

38.7.1
4 61
4797

18

G. R. S. III-2.

General and Revenue Secretariat.

Ker File No. 73 of 19 23

Serial No.

the papers may be received
Ltr 22/6/24 21.6.24 YSA SNR 25/6

the issues of the "Daily Post" dt 1.5.24, 26.4.24, 30.4.24 & 3.5.24 are returned to the Dirs 22/6/24

B

GEN. & REV. SECRETARIAT
28 JUL 1924
INDUSTRIES & COMMERCE BRANCH.

NOTE—Contn. sheet.

G. R. S. VI—G/32]

SUBJECT Secret Summary ~~with~~ Daily Press
Ltr No. 7-26.4.25 re Grant of apps for
forwarding Licences for Chrome

Diary No. of letter replied to

General and Revenue Secretariat

( )

, the 191

Date of issue

Signed by

Section

File No.

Serial No.

No.

To

The Editor, Daily Press,
Bangalore

Sir,

I have the honour to invite your attention to the Summary of the G.O. order of the Govt relative to the disposal of applications for grant of forwarding licenses for Chrome ~~and~~ ~~Steatite~~ & appearing in the Local Notes Column of the Daily Post

over

of the 26th ultimo and
I hold that it ~~does not~~
is incorrect as
You may see from the
Copy of the ~~Case~~ first Ruling
order enclosed herewith -
I am to call Your particular
attention to para 5 of the
first order which defines
declines the discretion of the
Director that an appellant
may be required to give
a bond security for Rs 10,000/-
and to request that a Complete
and Correct Summary may be
submitted to Him before -
it Your earliest convenience -
to remove the misapprehension
that have arisen with him -
& in order as quickly as
the circumstances of the case will
admit of his return to Chanda -

List of enclosures.

Copied by

Examined by

I have etc -

Sd/-

Dy Secy

G. R. S. VI—G/32]

SUBJECT Criticism of Mr. Gopalrao & the
Govt in the manner of disposal of ~~disposal of~~
Applications in favour of forwarding licences
for Chrome under the recent — order ~~towards the~~
~~restrictions~~ and placing the restrictions
imposed on Chrome

Diary No. of letter replied to

Section

File No.

Serial No.

General and Revenue Secretariat

( )

No.

, the *191*

To

Date of issue

Sir,

Signed by

I have the honour to draw
the attention of the (A) Assistant
making certain observations
on the recent Govt order re
the manner of disposal of
applications for grant of
forwarding licences from
Chrome ore as the date
as summarised in the Daily Post
of the 26th (X) ultimo I

P. L. D

Flag K

over.

I am directed to forward herewith for your information a copy of the Board's order, No. IC 6625-27-Gen 73-23-12 dated the 25th April 1974 and to state that as may be seen from it the Summary appearing in the Daily post is incomplete and incorrect especially in regard to the Land Conditions & the financial ability of the applicants ~~& the suggestions~~ Hence I am also to state that ~~[illegible]~~ You are therefore requested to make a fresh publication in the Daily Gazette.

Yours faithfully,

for Secretary

Encl: 1

Dy No. 75 /Gen

Regional Officer

List of enclosures.

Copied by

Examined by

Rev 73-23-2 3819(9

No. 1542-19

Dated, Bangalore, 15th March 24

FROM-
REVENUE & REV. Br.... 9 C 15 MAR. 1924 To M G. D. SECTION SMD

A. M. SEN, Esq., M.Sc., F.G.S., Etc.,
Offg. Director, Mysore Geological Department.

REVENUE SECRETARIAT 15 MAR 1924 INDUSTRIES & COMMERCE BRANCH.

K. V. Anantaraman, Esquire, B.A.,
Offg. Secretary to the Government of His Highness
the Maharaja of Mysore,
Revenue Department.

Sir,

I have the honour to state that consequent on the rescinding of the restriction placed in respect of chrome ore a number of applications for that mineral have since been received. Of these applicants some have been holders of valid certificates of approval while some others have applied afresh or for renewal of the old certificates and some are quite new to the Department and they have submitted their applications for certificate of approval and for prospecting licenses at the same time.

2. As the applications of some of these overlap one another's the question of priority will have to be considered in recommending the cases to Government The rules on this point not being clear I beg that I may have a ruling of Government in the matter to proceed with. In my opinion, applications from persons holding valid certificates of approval at the time of their application for licenses and leases should take precedence over such of those who may then apply for certificates. As regards new applicants for prospecting licenses without holding certificates of approval their applications for prospecting licenses should, I think, be considered valid only from the date of sanction of the certificate of approval.

3. I also beg to propose that the following Clause should be added in the present form of applications for prospecting licenses and mining leases and this, if approved, will get rid

of

of such difficulties in future:-

"I hold a valid certificate of approval No.

4. Again, some of the applicants have referred to applications made by them some years ago or just before the time when reservation of chrome was last ordered in January 1923 and which applications were consequentially rejected, thereby claiming priority over all applications now made. Here again as a difficult situation has been created, I solicit a ruling of Government to proceed with.

I have the honour to be,
Sir,
Your most obedient servant,

Offg. Director,
Mysore Geological Department.

C.N.

Urgent

No. 1606

GEN. & REV. SECRETARIAT 24 MAR 1924 INDUSTRIES & COMMERCE BRANCH.

Dated, Bangalore, 24th March 1924.

DY NO 4061

FROM

A. M. SEN, ESQ., M.Sc., F.G.S., ETC.,
Offg. Director, Mysore Geological Department.

To

K. V. Anantaraman, Esquire, B.A.,
Offg. Secretary to the Government of His Highness
the Maharaja of Mysore,
Revenue Department.

SIR,

I have the honour to state that since the reservation of Chrome Ore has been rescinded by Government in their order No.I.C.5146-57/ Geol.73-23-1, dated 26th February 1924, about 30 applications have so far been received for prospecting license for Chrome. Out of these applicants many do not hold certificates of approval and are quite new to the Department. I am not aware of their mining abilities or financial conditions, for which enquiries are now being carried on.

2. Chrome Ore is used principally for the following purposes-

(1) Manufacture of Ferro-chrome - an alloy used for the production of special Chrome Steel.

(2) Refractory materials

(3) Chromium chemicals or pigments

So far however practically none of these materials are manufactured in India up till now; and all the chrome ores are exported out of India to Europe and America and to Japan or each of the above classes of materials, different grades of ore (according to the proportion of Cr_2O_3 present) are required.

3. So the license holders have to be careful of what grade of ore they could supply to the foreign market and what reputation they could keep up as to the guaranteed quality of ore to be supplied.

4. In order that a proper standard can be maintained, it is

desirable that licenses should be carefully granted to persons who can prove satisfactorily their financial abilities.

5. Moreover under the new rules 25% of the profits have to be paid to the Government; in order that this rule can be properly and satisfactorily enforced, it is desirable that the Licensees should have a sufficient capital to start the Chrome Mining and carry it on from year to year, in a proper business basis.

6. So I beg to propose that each applicant for a chrome license under the new rules should produce satisfactory evidence as to his financial ability; this should not be done in the shape of house properties - which is often done by many applicants: but a Bank reference should invariably be given for Rs.10000/-or more. Unless such a Bank Reference is forth coming, no certificate of approval or Prospecting License for Chrome under the new rules should be granted. A ruling of Government on this point is solicited. A fixed rule on this point would eliminate many petty dealers who come to work for a small profit but who would probably bring discredit on the Mysore Ores owing to financial disabilities; otherwise without such a Bank reference, it is very difficult to judge of a man's financial ability.

7. As regards the payment of royalty, I beg to submit the following proposition for the favourable consideration of Government. It has been found in some prospecting licenses and mining leases already sanctioned that royalty could not be realised as the ores although removed from the Block could not be sold. This means a loss to Government and perhaps an indefinite postponement of the payment of royalty. So in issuing new prospecting licenses and mining leases for all minerals including chrome, I propose that royalty should be paid on all ores when removed from the Block, even if they are not sold or railed. The amount of royalty is to be calculated on the cubical

contents

contents of the ore, the final adjustment to be made when the ores are railed or sold.

Early orders of Government are solicited on these two points.

I have the honour to be,
Sir,
Your most obedient servant,

A. Nielsen

Offg. Director,
Mysore Geological Department

C.N.

Do 1607

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MYSORE GEOLOGICAL DEPARTMENT

Bangalore 24th March 1924

4060

GEN. & SECRETARIAT
24 MAR 1921
INDUSTRIES & COMMERCE
BRANCH.

Section Geol
73-23-15

Dear Sir,

I beg to bring to your notice that I wrote a letter to you on the 15th instant, - No.1542 - requesting for a ruling of Government about the question of priority of applications for certificates of approval and for Prospecting License for Chrome, a number of which have recently been received in this office, under the new rules.

I have also written today another letter No.1601 (1606) about the question of financial ability of such applicants and also about payment of royalty Early orders of Government are solicited on the questions raised in these two letters before the pending applications could

As it is
When is Chr ?
Reports
Rly ?
Personnel ?

could be forwarded to Government for disposal.

Yours sincerely,

K. V. Anantaramdn, Esquire, B.A.,
Offg.Secretary to the Government of
H.H. the Maharaja of Mysore,
Revenue Department.

C.N.

Proceedings of the Govt. of H.H. the Maharaja of Mysore.

Dated 25/4/24

copied by Mr. T. Narayya

Read

Letters No. 1542 and 1606 dated 15th March 1924 and 24th March 1924 respectively from the Offg. Director, Department of Geology, submitting for the orders of Government certain proposals in connection with the disposal of applications for the grant of prospecting licenses for chrome ore.

Order No. I.C662 S-37/ Govt 73-29-1

Dated, Bangalore 25/4/1924

The Offg. Director Department of Geology, ~~has~~ reports that consequent on the ~~rescinding~~ cancellation of the restriction placed ~~in respect of~~ on mining chrome ore, a number of applications for prospecting licenses for that mineral have been received by him, that of the applicants some have been -- holders of valid certificates of - approval while some others have -- applied afresh or for the renewal of old certificates and that some are quite new to the Department and have submitted their application for -- certificates of approval and for prospecting licenses at the same time.

2. The Director has ~~therefore~~ submitted the following points for the orders of Government :--

(1) Priority of applications as between those received ~~for~~ from persons possessing valid certificates of approval and those who have applied for certificates afresh.

(2) Priority over all new applications, ~~to~~ applications which were received before January 1923 and rejected consequent on the reservation of the mineral by Govt. in Jany. 1923.

(3) Financial ~~stability~~ already of the applicants.

(4) Realisation of the royalty etc., ~~xx~~ due to Government on minerals when removed from the blocks.

3. As regards (1) Government agree with the Director that applications from persons holding valid certificates of approval at the time of their application should ~~take~~ given precedence and accordingly direct that applications for prospecting licenses should not be entertained until certificates of approval ~~of~~ are obtained by the applicants, and that a clause as under be added to the form of -- applications for prospecting and mining leases "I hold a certificate of approval No.

4. In regard to the ~~priority of~~ applications for prospecting licenses for chrome received before Jany. 1923 and rejected in consequence of the reservation of the mineral by Government, Govt. are of opinion that previous applications received before the reservation was relaxed should be considered to have lapsed and will not be entitled to priority, and that even in respect of applications received after the issue of the order of 26th Febry. 1924, relaxing the restrictions about reservation, it should be understood that applicants will not be entitled to preference in ~~and~~ order of ~~priority of~~ applications, and it will be open to Govt. to select whomsoever they consider the most competent and deserving from among the several applicants.

5. The Director of Geology has ~~xx~~ suggested in respect of the financial ability of the applicants for prospecting licenses that the applicants may be enjoined to give a bank guarantee of Rs.10,000.

Govt. consider that no hard and fast rule about the Bank guarantee is necessary and that it is open to them to reject any application at their discretion if they ~~are~~ not satisfied about the financial ability or the bona fides of the applicants - about which the Director is expected to ~~xx~~ make enquiries and submit a report when sending up the applications for the orders of Government.

6. Clause 1 of the Prospecting form license/~~fax~~ provides for working, winning and removal of ore subject to payment of royalty. Govt. are of opinion that in the interests of Govt. revenue it is necessary that the royalty on ore should be collected when it is removed from the block, even if it is not sold or railed, and they are therefore pleased to direct that the clause be modified accordingly:

7. The Director of Geology is requested to effect necessary modifications in ~~xxxxx~~ light of the above orders, of the rules and the forms of prospecting licenses.

SWP 10/4

Offg. ~~Secretary~~ to Govt
Rev. Dept

To

The Offg.Director, Department of Geology.

The Comptroller to Govt.

The Director of I & C.

The Revenue Commissioner in Mysore.

The Chief Inspector of Mines.

The ~~Rxx~~ Deputy Commissioners of Districts.

Press Table.

Ky 10/4

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Government of His Highness the Maharaja of Mysore.

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GENERAL AND REVENUE DEPARTMENTS

G. O. No. I. C. 1625-37 DATED 25-IV April 1924

Ext 77-23-12

May this be

i. printed? yes ✓

ii. treated as a standing order? yes ✓

iii. published in the Gazette English Part? yes ✓

iv. translated? ~~No~~ yes ✓

v. placed at the disposal of the press? yes ✓

vi. published in the Gazette Kannada Part? ~~No~~ yes ✓

Prasad Repr.

716/26.4.24

Subject Mining Prospecting Licenses for Chrome ore

Passing orders regarding the disposal of applications for the grant of ~~prospecting licenses for Chrome ore.~~

A1236

28/22/4

S. O.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G O. No. I. C. 6625-37--Geol. 73-23-12, dated 25th April 1924.

Prospecting Licenses for Chrome Ore.

Passing orders regarding the disposal of applications for the grant of

READ—

Letters Nos. 1542 and 1606, dated 15th March 1924 and 24th March 1924 respectively, from the Officiating Director, Department of Geology, submitting for the orders of Government certain proposals in connection with the disposal of applications for the grant of prospecting licenses for chrome ore.

ORDER No. I. C. 6625-37—GEOL. 73-23-12, DATED 25TH APRIL 1924.

The Officiating Director, Department of Geology reports that consequent on the cancellation of the restriction placed on mining chrome ore, a number of applications for prospecting licenses for that mineral have been received by him, that of the applicants some have been holders of valid certificates of approval while some others have applied afresh or for the renewal of old certificates and that some are quite new to the Department and have submitted their application for certificates of approval and for prospecting licenses at the same time.

2. The Director has submitted the following points for the orders of Government:—

(1) The question of priority of applications as between those received from persons possessing valid certificates of approval and those who have applied for certificates afresh.

(2) The question of giving priority over all new applications to applications which were received before January 1923 and rejected consequent on the reservation of the mineral by Government in January 1923.

(3) Financial ability of the applicants.

(4) Realisation of the royalty, etc., due to Government on minerals when removed from the blocks.

3. As regards (1) Government agree with the Director that applications from persons holding valid certificates of approval at the time of their application should be given precedence and accordingly direct that application for prospecting licenses should not be entertained until certificates of approval are obtained by the applicants, and that a clause as under be added to the form of applications for prospecting and mining leases " I hold a certificate of approval No."

4. In regard to the applications for prospecting licenses for chrome received before January 1923 and rejected in consequence of the reservation of the mineral by Government, Government are of opinion that previous applications received before the reservation was relaxed should be considered to have lapsed and will not be entitled to priority specially as the conditions of the present temporary relaxation of the reservation are different and that even in respect of applications received after the issue of the order of 26th February 1924, relaxing the restrictions about reservation, it should be understood that applicants will not be entitled as a general rule to preference in the order of their applications and that it will be open to Government to select whomsoever they consider the most competent and deserving from among the several applicants.

No. I. C. 6625-37—GEOL. 73-23-12, DATED 25TH APRIL 1924.

5. The Director of Geology has suggested in respect of the financial ability of the applicants for prospecting licenses that the applicants may be enjoined to give a bank guarantee of Rs. 10,000.

Government consider that no hard and fast rule about bank guarantee is necessary and that it is open to them to reject any application at their discretion if they are not satisfied about the financial ability or the *bona fides* of the applicants about which the Director is expected to make enquiries and submit a report when sending up the applications for the orders of Government. It should be however stipulated that each transaction entered into by the license holders must be reported to Government for their information.

for sale or export

6. Clause 1 of the prospecting license form provides for working, winning and removal of ore subject to payment of royalty. Government are of opinion that in the interests of Government revenue it is necessary that the royalty on ore should be collected when it is removed from the block, even if it is not sold or railed, and they are therefore pleased to direct that the clause be modified accordingly.

7. The Director of Geology is requested to effect in the light of the above orders necessary modifications of the rules and the form of prospecting licenses and suggest definite checks for the realisation of the 25 per cent of the net profits in each case.

K. V. ANANTARAMAN,
Offg. *Secretary to Government,*
Revenue Department.

To—The Officiating Director, Department of Geology.
The Comptroller to Government.
The Director of Industries and Commerce in Mysore.
The Revenue Commissioner in Mysore.
The Chief Inspector of Mines in Mysore.
The Deputy Commissioners of Districts.
PRESS TABLE

Exd.—P. S. R. N.

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R. VYAS RAO,
INDUSTRIAL GEOLOGIST.

CHAMARAJENDRAPETE,
BANGALORE CITY
2nd May, 1924.

Geol
File No. 73-23-18
Serial No.

SECRETARIAT
3-MAY 1924
INDUSTRIES & COMMERCE BRANCH.
& REV. SECRETARIAT

The Chief Secretary to Government
of His Highness the Maharajah of Mysore,
BANGALORE.

Sir,

3 MAY 1924

RE:- The recent additions to Rules for the grant of Prospecting Licenses for Chrome Ore in the Mysore State.

I am a subject of the Mysore State and am actively in touch with prospecting both in the State and outside for nearly twenty years as prospecting geologist, head geologist of large parties, Industrial Geologist to Mysore Government and at present am practising as Consulting Geologist and thus am actively in touch with the developments in the Bombay, Behar, Orissa and C.P. The recent additions to the Rules for the grant of licenses for prospecting Chrome ores in the State due to the large influx of applications on the removal of certain restrictions in this behalf have come to my notice (published in the Daily Post of the 26th April, 1924).

The first rule that licenses to prospect chrome ores should be given to persons holding valid Certificates of Approval is not a new addition at all (see rule No. 3) and is in accordance with the established practice all over British India (Mining Rule No. 7).

The second addition that the Government should have choice to grant the license to whomsoever they please irrespective of priority of applicants is a serious innovation and is likely to shake the confidence of a large class of prospectors in securing the results of their explorations to themselves and will seriously check the newly sprouting spirit of adventure in the subjects of His Highness the Maharajah in a sphere of activity that has justly contributed to the pride of many peoples.

In fact in America and Australia the right is so rigorously enforced that the first man who pegs a prospect is considered the owner of it atonce. Two important classes of prospectors contribute to this form of activity. The poor explorers who defy the seemingly most insurmountable obstacles and endure the greatest hardships and discover the wealth cunningly hidden in the bowels of the earth. The second class is made up of the less numerous financiers employing expert agency to work for them and in either case the work of both the parties is keenly watched and closely followed by a numerous class of rivals. Under these conditions, when once the thing is discovered, like the egg of Columbus, the matter is ﬧ simplicity itself and every body hankers after it. The priority of application is a valued right, therefore, of the explorer and the one that secures him the right to his work. To take that away, as the present addition to the Rules does, is to remove the cream of the work from the grasp of the rightful.

Of course, in a country like India, it is not desirable to en-

encourage people of any sort and every sort to embark on such hardy enterprises who are not aware of the consequences to themselves and others who confide in them. As a protection to such people, the Certificate of Approval has been introduced as a special feature of prospecting in the Mining Rules in India, the possession of which alone will confer a right to demand and obtain a license to prospect. The grant of this Certificate is confined to two classes of people who possess resource and energy or the necessary scientific qualification as a degree in applied science. The object here clearly is the first class can obtain the aid of the second when necessary or vice versa. When once, therefore, the Government grants the Certificate of Approval it is incumbant on them to secure the results to the first man that comes forward. If this is not to be, the Certificate of Approval loses its significance, prospecting its incentive to secure to oneself the results of his work and the grant of licenses becomes a mere chance game, giving free opportunities to the idiocyncracies of Government officials.

The very fact of the introduction of such a rule presumes the countinancing by Government of such practices and must bring down the credit of Government in the public eye and add to the already existing feeling of distrust in the Government of Native States among industrialists when such a rule can obtain even in the model State

The third addition asking for a bank guarantee of Rs 10,000 may cut out the most important class of educated prospectors who are

are generally poor, but hope to obtain financial help on the results of their work, Without educated help and encouragement from independent profit sharing men the financier is sure to restrict his activities in this branch. Very few organizations exist in India and elsewhere in the world which are backed by large finances and employ expert agency in prospecting. If this had been insisted upon at the beginning I am certain the mining industry would never have assumed the importance in modern life it does now.

From the above it is clear the Government have not had all the important aspects of the question before them in introducing these changes which not only cripple a noble line of adventure which requires encouragement badly and compromises the credit of Government seriously in the public eye.

An implied notion appears to run through these additions that in the case of chrome ore what exploration has to be made is already done and the whole country has been combed and nailed and there is no further chance for any startling results or fresh discoveries. The very history of chrome mining is a refutation of such an idea. The occurrance is so irregular and erratic that it affords a peculiarly interesting field for a bold adventurer. The Nuggenahalli chrome block after its location by the Department had to pass through several hands before its richness became known. To presume the present surface boundaries of the chrome areas in Mysore to be final is controversial. Even if applicants are numerous why should Government show the unusual concern which they have shown in passing special rules in this case.

this case. Every fresh discovery brings on such peaks of interest and failures depressions In either case steadiness and calmness in Government and definiteness of procedure ensues automatic settling down of things giving stability to the industry. To get mixed up in speculative welters for Government is to seriously compromise its credit.

A simple way of dealing with competition in the matter to the advantage of Government is to increase the royalty and reap the benefit of the practical monopoly of this ore conferred by nature on the Government of Mysore, instead of trying to cut down the number of applicants which is really a very small evil if at all.

As a subject of Mysore I feel this very keenly and have taken the earliest opportunity to point this out to you so that you may place it before Government for such action as they please and have not rushed into public print.

I have the honour to be,

Sir,

Your most obedient servant,

R Vyas Rao

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Government of His Highness the Maharaja of Mysore,

General and Revenue Secretariat.

No. I.C 716 2 Press Communique.

Dated, Bangalore, May 1924.

It has come to the notice of Government that there has been a certain amount of mis-apprehension on the part of certain newspapers and a section of the public in regard to the recent Government Order about the disposal of applications for the grant of prospecting licenses for chrome ore.

As the abstract of the Government Order which was published in some of the newspapers and on which the criticisms that appeared therein were based is not accurate the following summary of the order is given for the information of the public:--

(1) No application for prospecting license for chrome should be entertained from persons who have not previously obtained a valid certificate of approval under the Rules

(2) Applications made before January 1923 when the reservation of chrome was ordered by Government will be deemed to have lapsed in consequence of such order Fresh applications should therefore be presented under the modified Rules, issued in February last.

(3) When there is more than one application for the same block no one will be entitled to claim preference merely on the ground of priority of application; and it will be open to Government to select the most competent and deserving among the applicants

(4) No Bank guarantee will be required from the applicant as recommended by the Director of Geology But it will be open to Government to reject any application at their discretion if they are not satisfied about the financial ability or the bonafides of the applicant.

(5) Royalty on the ore collected should be paid before it is removed from the block.

By Order

(Sd) K.V. Anantaraman

Offg. Secretary to Govt. Rev. Dept.

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copies sent to

1) Press Room Bangalore

2) " Mysore

3) Publicity Office

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Press Communicque.

It has come to the notice of Government that there has been a certain amount of mis-apprehension on the part of certain newspapers in regard to the recent orders about the disposal of applications for the grant of prospecting licenses for chrome ore. The statement that applicants are enjoined to give a Bank guarantee of Rs.10,000/- is inaccurate. Government in para 5 of their Order dated 25th April 1924, have prescribed no such guarantee but have merely reserved the power of rejecting any application if they are not satisfied about the financial stability or the bonafides of the applicants.

By Order,

Revenue Secretary.